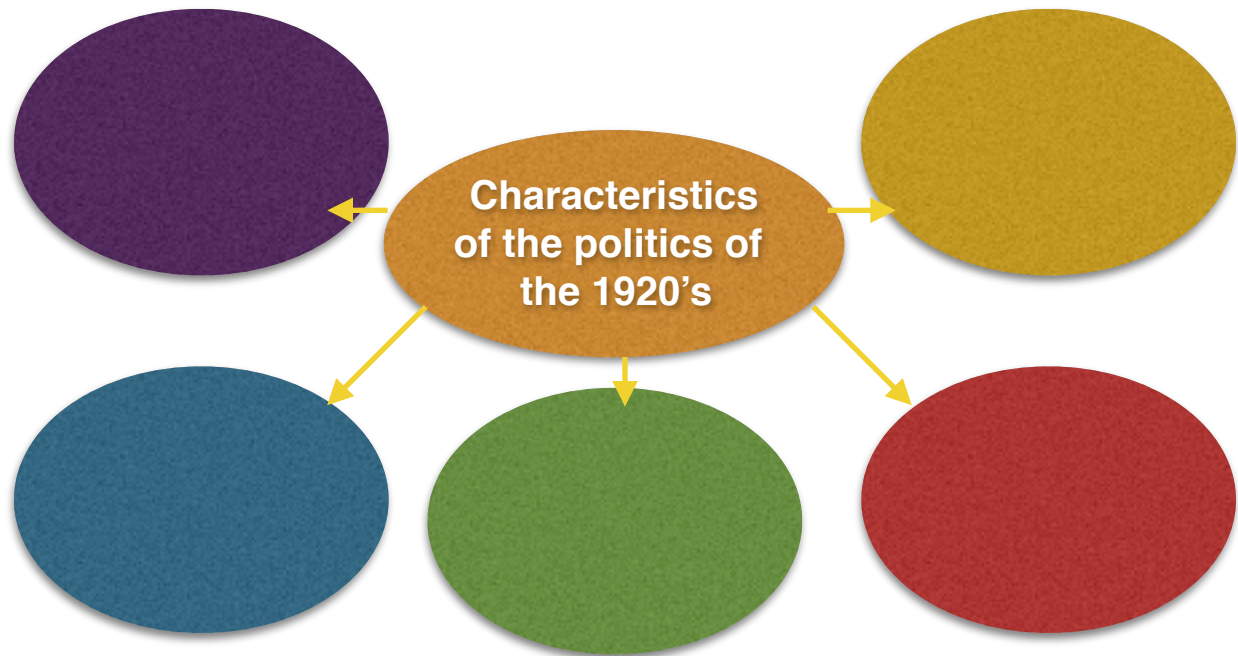


The Politics of the 1920s

Big Idea

As you read through these passages, complete this graphic organizer by listing characteristics of the politics of the 1920's.



The Harding Administration

Determining Cause and Effect

Write the cause.

Cause:

Effect: Scandals plagued the Harding administration.

Warren G. Harding was elected president in 1920. He ran on the campaign promise to return the country to normalcy. This meant a return to "normal" life after the war. Harding appointed many friends from Ohio to cabinet positions and high-level jobs. They were known as the Ohio Gang. Some used their positions to sell jobs, pardons, and protection from prosecution. They caused several scandals.

The most famous was Teapot Dome. Secretary of the Interior Albert B. Fall secretly allowed private companies to lease lands containing Navy oil reserves. Fall became the first cabinet officer to go to prison. Another scandal involved Attorney General Daugherty. He was suspected of taking bribes from a German agent. In a 1923 tour of the West, President Harding fell ill and died. Vice President Calvin Coolidge became president and distanced himself from corruption. He restored integrity to the presidency. Coolidge believed his job was to make sure government interfered as little as possible with business. In 1924 he easily won the election.

Policies of Prosperity

Problems and Solutions

Complete the sentences.

1. To balance the budget, Mellon

2. To provide extra income to people and businesses, Mellon

Presidents Harding and Coolidge both opposed government regulation of business. Harding appointed two cabinet members who contributed to the economic growth and prosperity of the 1920s: Andrew Mellon and Herbert Hoover.

Mellon had three major goals as secretary of the treasury: balance the budget, reduce government debt, and cut taxes. Mellon convinced Congress to create agencies to prepare the budget and track expenses. He then cut government spending. Mellon argued that if taxes were lower, businesses and consumers would spend and invest more. As the economy grew, the government would collect more taxes at a lower rate than if taxes were high. This idea is known today as **supply-side economics**. In 1928 Congress drastically cut tax rates.

Secretary of Commerce Hoover tried to encourage economic growth. His policy of **cooperative individualism** encouraged businesses to form trade associations. These groups would then share information with the government. Hoover believed this would reduce costs and increase efficiency. Hoover also tried to help companies find new markets and supported the growth of the airline and radio industries.

Trade and Arms Control

Synthesizing Information

Complete the statement based on the last paragraph. After World War I, many countries

Before World War I, the United States was a debtor nation. By the end of the war, allies owed the United States more than \$10 billion. Many Americans at this time favored isolationism. This was a policy of staying out of world affairs. However, the nation was too involved economically and politically with other countries to be truly isolationist. America's former allies struggled to repay their war debts. High import taxes made it hard for foreign countries to sell products in the United States. The war reparations, Germany paid to European nations crippled its economy. In 1924 a U.S. diplomat negotiated the Dawes Plan. American banks loaned Germany money to pay reparations. Britain and France agreed to accept less in reparations and to pay more on their war debts.

Secretary of State Charles Evans Hughes spoke to the major world powers at a conference in Washington. The conference led to a treaty between Britain, France, Italy, Japan, and the United States to reduce the naval arms race. This supported the idea that written agreements could end war. The United States and fourteen other nations signed the Kellogg-Briand Pact. In it they agreed to settle all disputes peacefully.

Section Wrap-Up

Answer these questions to check your understanding of the entire section.

1. How did two of President Harding's cabinet appointees contribute to the economic growth and prosperity of the 1920s?

2. Why was it impossible for the United States to maintain an isolationist stand after World War I?